USDA

MAY | 1997

**Reply to
Attn. of:** SP-97-19
CACFP-513
SFSP-315

Subject: Prairie Farms Dairy - Debarment

To: STATE AGENCY DIRECTORS -   Colorado ED, Colorado DPHE,
(Child Nutrition Programs) Colorado HS, Iowa, Kansas,
Missouri ED, Missouri DH,
Montana OPI, Montana DPHHS,
Nebraska ED, Nebraska SS,
North Dakota, South Dakota,
Utah, Wyoming ED, and
Wyoming DHSS

In a Policy Memorandum dated February 13, 1996, we notified you that
Prairie Farms Dairy and several of its affiliates had been suspended
from participation in Lower Tier Covered Transactions in the Child
Nutrition Programs. We have now been notified that Defense
Logistics Agency (DLA) of the Department of Defense has **debarred**
Prairie Farms Dairy, its Chief Executive Officer, two joint ventures
of Prairie Farms, and four of its wholly owned subsidiaries.

The following are debarred until May 4, 1998:

> Prairie Farms Dairy, Inc., Carlinville, IL
> Leonard J. Southwell, CEO, Prairie Farms Dairy, Inc.
> Ideal American Dairy, Evansville, IN (joint venture)
> Mueller-Pinehurst Dairy, Rockford, IL (joint venture)
> **Pevely Dairy dba A B C Dairy, St. Louis, MO (wholly owned
> subsidiary)**
> East Side Jersey Dairy, Inc., Anderson, IN (wholly owned
> subsidiary)
> P.F.D. Supply Corporation, Carlinville, IL (wholly owned
> subsidiary)
> GMS Transportation, Inc., Granite City, IL (wholly owned
> subsidiary)

As a result, Prairie Farms Dairy, Leonard J. Southwell, and the
companies named above remain ineligible to participate in Lower Tier
Covered Transactions in the Child Nutrition Programs.

Three other affiliated companies had their suspensions lifted
earlier and are not affected by this action.   They remain eligible
to participate.   They are:

    Roberts Dairy, Omaha, NE
    Hiland Dairy Foods, Springfield, MO
    Ice Cream Specialties, Carlinville, IL

If you have any questions regarding this matter, please contact
Ed Campbell at 303-844-0355.

ANN C. DEGROAT
Regional Director
Child Nutrition Programs